

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

**IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A
SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:**

Issuer's Name (please include name of state where Issuer is located):

COMMUNITY FACILITIES DISTRICT NO. 2 (SANTALUZ) (STATE: CALIFORNIA)

**COMMUNITY FACILITIES DISTRICT NO. 2 (SANTALUZ) IMPROVEMENT AREA
NO. 1 SPECIAL TAX BONDS SERIES A OF 2000**

**COMMUNITY FACILITIES DISTRICT NO. 2 (SANTALUZ) IMPROVEMENT AREA
NO. 1 SPECIAL TAX BONDS SERIES A OF 2004**

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer:

Community Facilities District No. 2 CUSIP: 802808

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

X Electronic

Paper (no. of pages attached)

If information is also available on the Internet, give URL: NOT AVAILABLE _____

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

☒ **A. Annual Report for the Fiscal Year Ended June 30, 2007**
(Financial information and operating data should not be filed with the MSRB.)

☐ **B. Financial Statements or CAFR pursuant to Rule 15c2-12**

☐ **C. Notice of a Material Event pursuant to Rule 15c2-12** (Check as appropriate)

- | | |
|---|---|
| 1. Principal and interest payment delinquencies | 6. Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. Non-payment related defaults | 7. Modifications to the rights of security holders |
| 3. Unscheduled draws on debt service reserves reflecting financial difficulties | 8. Bond calls |
| 4. Unscheduled draws on credit enhancements reflecting financial difficulties | 9. Defeasances |
| 5. Substitution of credit or liquidity providers, or their failure to perform | 10. Release, substitution, or sale of property securing repayment of the securities |
| | 11. Rating changes |

☒ **D. Notice of Failure to Provide Annual Financial Information as Required**

See the Annual Report, Section 1(a).

☐ **E. Other Secondary Market Information** (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name: **MARY LEWIS**

Title: **CHIEF FINANCIAL OFFICER**

Employer: **CITY OF SAN DIEGO**

Address: **202 C STREET, MAIL STATION 9B**

City: **SAN DIEGO** State: **CA** Zip Code: **92101**

Dissemination Agent Contact, if any:

Name: **MARY LEWIS**

Title: **CHIEF FINANCIAL OFFICER**

Employer: **CITY OF SAN DIEGO**

Address: **202 C STREET, MAIL STATION 9B**

City: **SAN DIEGO** State: **CA** Zip Code: **92101**

Relationship to Issuer: **DISCLOSURE REPRESENTATIVE**

Investor Relations Contact, if any:

Name:

Title:

Telephone:

**ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2007
RELATING TO**

**\$56,020,000
COMMUNITY FACILITIES DISTRICT NO. 2
(SANTALUZ)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES A OF 2000**

**\$5,000,000
COMMUNITY FACILITIES DISTRICT NO. 2
(SANTALUZ)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES A OF 2004**

(CUSIP Number 802808)

The following Annual Report is being provided by the City of San Diego (the "City") for the above stated issuances (the "Bonds"), pursuant to the Continuing Disclosure Agreement and Continuing Disclosure Certificate requirements and in compliance with Securities and Exchange Commission Rule 15c2-12 for the fiscal year ending June 30, 2007 (the "Annual Report").

The Annual Report, including any amendment or supplement hereto, will be electronically transmitted to the CENTRAL POST OFFICE by the Dissemination Agent for retransmission by the CENTRAL POST OFFICE to each of the Nationally Recognized Municipal Securities Information Repositories (the "NRMSIRs"), approved by the Securities and Exchange Commission, set forth in Exhibit A.

The Annual Report is provided in accordance with the terms of the Continuing Disclosure Agreement and Continuing Disclosure Certificate, and does not purport to provide full and complete information on the terms of the Bonds. The filing of the Annual Report does not constitute or imply any representation that no changes, circumstances or events have occurred since the end of the fiscal year to which the Annual Report relates (other than as contained in the Annual Report), or that no other information exists which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell or hold the Bonds. Certain information and data provided herein was obtained from sources other than the City (the "Outside Information"), as indicated by the source citations. Although the information contained in the Annual Report has been obtained from sources which are believed to be reliable, the City has not independently verified such Outside Information, and the City cannot guarantee its completeness or accuracy. No statements in this Annual Report should be construed as a prediction or representation about future financial performance of the City or Community Facilities District No. 2 (Santaluz).

The Community Facilities District and Assessment District Funds are considered part of the City's reporting entity and can be found in the supplementary information section, under the headings Nonmajor Governmental Funds - Debt Service (Other Special Assessments), and Nonmajor Governmental Funds - Capital Projects (Other Construction), of the City of San Diego's Comprehensive Annual Financial Report ("CAFR").

On March 12, 2007, the City received an unqualified opinion from KPMG, the City's outside auditors, on its fiscal year 2003 financial statements. On May 11, 2007, the City received an unqualified opinion from Macias, Gini and O'Connell ("Macias"), the City's new outside auditors, on the City's financial statements for fiscal year 2004. Those audited financial statements were recently filed with the Central Post Office for transmission to the NRMSIRs.

On October 26, 2007, Macias released an unqualified opinion on the City's financial statements for fiscal year 2005. Subsequently, on December 13, 2007, the City's Chief Operating Officer announced that the City was reopening the 2005 financial statements for the limited purpose of revising Note 18 of such financial statements with respect to issues related to the City's pension system. On February 8, 2008, Macias issued an unqualified audit opinion on the City's 2005 financial statements incorporating the opinion of October 26 and covering the subsequent revisions to the 2005 financial statements. The 2005 financial statements were reviewed by the City's Audit Committee and were received and filed by the City Council on March 26, 2008. The 2005 financial statements will be filed with the Central Post Office for transmission to the NRMSIRs when published for release. On March 21, 2008, Macias issued an unqualified opinion on the City's 2006 financial statements. The 2006 financial statements are awaiting review by the Audit Committee and the City Council. It is unknown at this time when the City's financial statements for fiscal year 2007 will be completed.

This Annual Report does not include the audited financial statements of the City for the fiscal years ended June 30, 2006 and June 30, 2007, because they have either not been completed or have not been received and filed by the City Council. Once the audited financial statements for fiscal years 2006 and 2007 are reviewed and filed by the City Council, they will be filed with the Central Post Office for transmission to the NRMSIRs.

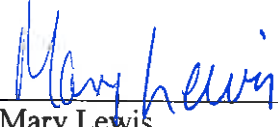
The City is acting as the Dissemination Agent for the above stated issuance. The City does not have any obligation to update this report other than as expressly provided in the Continuing Disclosure Agreement.

Any statements regarding the above stated issuance, other than a statement made by the City in an official release or subsequent notice or annual report, published in a financial newspaper of general circulation and/or filed with the Municipal Securities Rulemaking Board or the NRMSIRs, are not authorized by the City. The City shall not be responsible for the accuracy, completeness or fairness of any such unauthorized statement.

DATED: April 1, 2008

CITY OF SAN DIEGO

By:



Mary Lewis
Chief Financial Officer

EXHIBIT A

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission:

Bloomberg Municipal Repository

100 Business Park Drive

Skillman, NJ 08558

Phone: (609) 279-3225

Fax: (609) 279-5962

<http://www.bloomberg.com/markets/rates/munlcontacts.html>

Email: Munis@Bloomberg.com

DPC Data Inc.

One Executive Drive

Fort Lee, NJ 07024

Phone: (201) 346-0701

Fax: (201) 947-0107

<http://www.dpcdata.com>

Email: nrmsir@dpcdata.com

FT Interactive Data

Attn: NRMSIR

100 William Street, 15th Floor

New York, NY 10038

Phone: 212-771-6999; 800-689-8466

Fax: 212-771-7390

<http://www.ftid.com>

Email: NRMSIR@interactivedata.com

Standard & Poor's Securities Evaluations, Inc.

55 Water Street

45th Floor

New York, NY 10041

Phone: (212) 438-4595

Fax: (212) 438-3975

<http://www.disclosuredirectory.standardandpoors.com/>

Email: nrmsir_repository@sandp.com

\$56,020,000
COMMUNITY FACILITIES DISTRICT NO. 2
(SANTALUZ)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES A OF 2000

Annual Report Under the Continuing Disclosure Agreement

\$5,000,000
COMMUNITY FACILITIES DISTRICT NO. 2
(SANTALUZ)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES A OF 2004

Annual Report Under the Continuing Disclosure Certificate

Fiscal Year Ending June 30, 2007

This Annual Report includes information required by the Continuing Disclosure Agreement and Certificate for Community Facilities District No. 2 (Santaluz) Improvement Area No. 1 Special Tax Bonds, Series A of 2000 and Series A of 2004, except for the Comprehensive Annual Financial Report of the City of San Diego (the "CAFR") for the Fiscal Year ended June 30, 2007 (see item 1(a) below):

1. Annual Report For Community Facilities District No. 2 (Santaluz):

(a) Financial Statements.

The Community Facilities District and Assessment District Funds are considered part of the City's reporting entity and can be found in the supplementary information section, under the headings Nonmajor Governmental Funds - Debt Service (Other Special Assessments), and Nonmajor Governmental Funds - Capital Projects (Other Construction), of the City of San Diego's Comprehensive Annual Financial Report ("CAFR").

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This Annual Report does not include the audited financial statements of the City for the fiscal years ended June 30, 2006 and June 30, 2007, because they have either not been completed or have not been received and filed by the City Council. Once the audited financial statements for fiscal years 2006 and 2007 are reviewed and filed by the City Council, they will be filed with the Central Post Office for transmission to the NRMSIRs.

Source: City of San Diego, Debt Management; City of San Diego, Auditor and Comptroller's Office

(b) Financial and Operating Data:

- (i) Principal amount of Bonds outstanding as of September 4, 2007:

<u>Series A of 2000</u>	<u>Series A of 2004</u>
\$53,055,000	\$4,645,000

Source: City of San Diego, Debt Management

- (ii) Fund balances for each fund under the Bond Indenture as of September 4, 2007, are as follows:

	<u>Series A of 2000</u>	<u>Series A of 2004</u>
Special Tax Fund	\$151,745	
Interest Account	\$2	
Capitalized Interest Subaccount	\$0	
Principal Account	\$232	
Redemption Account	\$5,093	
Backup Special Tax Account	\$0	
Reserve Account	\$5,416,774 ^(a)	\$358,746 ^(b)
Administrative Expense Account	\$50,337	
Rebate Fund:		
Rebate Account	\$0	
Alternative Penalty Account	\$0	
Acquisition & Construction Fund:		
Cost of Issuance Account	\$1,368	\$17,682
Project Account	\$9,703	\$249,776
Surplus Fund	\$1,576,990	
Escrow Fund:		
Escrow Principal Account	\$0	
Escrow Interest Account	\$0	

^(a) Reserve Requirement: \$4,493,606. As of 3/3/08, \$937,463 of the excess reserves was transferred to the Project Account to pay for eligible facilities. The balance in the Reserve Account as of 3/3/08 is \$4,638,664.

^(b) Reserve Requirement: \$356,800

Source: City of San Diego, Debt Management; Union Bank of California Trustee Statements

- (iii) A list of the public improvements in Table 1 in the Official Statement which have been acquired by the City (“paid for by the Issuer”, with respect to the Series 2004 A Bonds Continuing Disclosure Certificate) with proceeds of the Bonds, as of June 30, 2007, is attached as Exhibit 1.
- (iv) Any changes to the Rate and Method of Apportionment of the Special Taxes approved or submitted to the qualified electors for approval prior to the filing of the Annual Report and a summary of the facts related to the collection of any Backup Special Tax and a description of any parcels for which the Special Taxes have been prepaid, including the amount prepaid, since the date of the last Annual Report:
- No changes to the Rate and Method of Apportionment of Special Taxes have been approved or submitted to the qualified electors for approval subsequent to the filing of the previous Annual Report and prior to the filing of this Annual Report.
 - No Backup Special Taxes have been levied.
 - No Special Taxes have been prepaid subsequent to the filing of the previous report and prior to the filing of this Annual Report.
- (v) A table setting forth the estimated assessed value-to-lien ratios for Developed Property as a group and for each owner of Undeveloped Property based upon the most recent Special Tax levy preceding the date of the Annual Report, the most recent assessed values of the property and the principal amount of the Bonds and any other land secured debt allocable to parcels within the District is attached as Exhibit 2.
- (vi) A table including a list of all taxpayers within the District which own property in the District upon which 5% or more of the total Special Taxes for the current fiscal year have been levied, and a statement as to whether any of such taxpayers is delinquent in the payment of Special Taxes.

As of September 4, 2007, there were no taxpayers within the District owning property upon which 5% or more of the total Special Taxes for the 2007-2008 fiscal year have been levied.

Source: City of San Diego, Debt Management; David Taussig & Associates

- (vii) Any event known to the Issuer which reduces the number of residential units permitted to be constructed within the District or which results in a moratorium on future building within the District:

None

Source: City of San Diego, Debt Management; City Planning and Community Investment Department; Development Services Department

(viii) A table setting forth for the five most recent fiscal years in which Special Taxes were levied, the amount of Special Taxes levied in each fiscal year and the percentage delinquent as of June 30 of such fiscal year and as of the date of the Annual Report, and a description of the status of any foreclosure actions being pursued by the Issuer with respect to delinquent Special Taxes is attached as Exhibit 3.

(ix) The date of issuance and the principal amount of any Parity Bonds and a copy of any appraisal delivered in connection with such issuance:

As referenced in previous Annual Reports, on February 25, 2004, the District issued \$5,000,000 of Improvement Area No. 1 Series A of 2004 Parity Bonds. In conjunction with this issuance, the Appraiser delivered a self-contained appraisal to the District. This appraisal, with the exception of certain of the appendices deemed not to be material to the offering, was reproduced in the Official Statement for the issuance of the parity bonds. That Official Statement was filed in conjunction with the initial Annual Report for the \$5,000,000 Community Facilities District No. 2 (Santaluz) Improvement Area No. 1 Special Tax Bonds Series A of 2004, dated March 30, 2004.

Source: City of San Diego, Debt Management

(x) The date of release and amount released from the Escrow Fund and a copy of any appraisal delivered in connection with such release:

The Escrow Fund balance of \$28,295,266 was released on April 11, 2002. A copy of the appraisal delivered in connection with such release was included with the above referenced Annual Report.

Source: City of San Diego, Debt Management

(xi) In the Annual Report due on April 1, 2001, a copy of the Original Report and any Updated Report submitted under Section D.1 and Section D.2, respectively, of the Rate and Method of Apportionment of Special Taxes for the District and in each Annual Report thereafter, a copy of any additional Updated Reports not included in a previous Annual Report.

Pursuant to the above referenced provisions of the Rate and Method of Apportionment of Special Taxes, Updated Reports from the Developer are no longer required to be filed. All previously filed Updated Reports have been included in previous Annual Reports.

Source: City of San Diego, Debt Management

(xii) Any information not already included under (i) through (xi) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

The applicable California Debt and Investment Advisory Commission Yearly Fiscal Status Reports for Fiscal Year 2006-2007 are attached as follows:

<u>Issue:</u>	<u>Exhibit</u>
Series A of 2000	4a
Series A of 2004	4b

Source: City of San Diego, Debt Management

EXHIBIT 1

\$56,020,000
COMMUNITY FACILITIES DISTRICT NO. 2
(SANTALUZ)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES A OF 2000

\$5,000,000
COMMUNITY FACILITIES DISTRICT NO. 2
(SANTALUZ)
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES A OF 2004

FACILITIES ACQUIRED BY THE CITY OF SAN DIEGO (AND PAID FOR BY THE ISSUER)
WITH PROCEEDS OF THE BONDS: *

Carmel Valley Road from Via Abertura to Black Mountain Road and Black Mountain Road from Carmel Valley Road southerly to existing Black Mountain Road ⁽¹⁾

Carmel Valley Road Segments 1, 2 and 3 from North SR56 to Via Abertura

Camino Ruiz South ⁽¹⁾

Camino Ruiz from CR South Northerly to San Dieguito and Extension of Stn. 213 ⁽¹⁾

San Dieguito Road from Camino Ruiz to existing San Dieguito Road ⁽¹⁾

Median and Parkway Landscaping of Carmel Valley Road from Via Abertura to Black Mountain Road and Black Mountain Road from Carmel Valley Road southerly to existing Black Mountain Road.

Sewer Trunk Line from Existing Carmel Valley Sewer Trunk Line to Fairbanks Highlands Intercept

Trunk Sewer from Pump Station No. 3 Intercept to Pump Station No. 2 Intercept

Trunk Sewer from Pump Station No. 2 Intercept to northerly end of Project

Pump Station No. 3 and Force Main to Trunk Sewer

Pump Station No. 2 and Force Main to Trunk Sewer

36" Water Line from Reservoir to Black Mountain Road, including construction of initial Carmel Valley Road Segment BB improvements (land bridge, grading and encasement of existing water facilities)

25 Million Gallon Reservoir

South Fire Station and Equipment (Portion)

Offsite Traffic Signals and Intersection Improvements

Regional Park Land Acquisition and Grading (Fair Share)

Preliminary Design Costs for Public Improvements

Landscaping of San Dieguito Road

Landscaping of Camino Ruiz

⁽¹⁾ Roadway projects include street improvements, water and sewer improvements as indicated, utilities (joint trench, electric, gas, cable TV, telephone) included within the roadway right-of-way or within a designated easement, if eligible for funding by the District.

* Facilities acquired and paid for with proceeds of Improvement Area No. 1 Special Tax Bonds Series A of 2000 and Series A of 2004 in conjunction with Improvement Area No. 3 Special Tax Bonds Series B of 2000.

EXHIBIT 2
CITY OF SAN DIEGO COMMUNITY FACILITIES DISTRICT NO. 2
IMPROVEMENT AREA NO. 1
CONTINUING DISCLOSURE STATEMENT
ESTIMATED ASSESSED VALUE-TO-LIEN RATIOS

Property Owner [1]	FY 2007-2008 Special Tax	Percentage of FY 2007-2008 Special Tax	CFD No. 2 IA No. 1 Bonds Outstanding [2]	Poway Unified School District CFD No. 4 Bonds Outstanding [2]	Metropolitan Water District G.O. Bonds Outstanding [2]	City of San Diego Public Safety Bonds Outstanding [2]	Palomar Pomerado Health 2005A Bonds Outstanding [2]	Palomar Community College District 2006A Bonds Outstanding [2]	Total Direct and Overlapping Debt	Net Assessed Value [3]	Estimated Assessed Value- to-Lien Ratios [4]
Developed Property [5]	\$4,582,649	100.00%	\$57,700,000	\$11,948,206	\$175,280	\$57,763	\$326,534	\$2,086,684	\$72,294,468	\$1,161,198,244	16.06
Undeveloped Property [6]											
GSDMCC Foundation, Inc.	\$0	0.00%	\$0	\$0	\$478	\$158	\$0	\$5,695	\$6,332	\$3,169,369	500.57
Saint Demiana Coptic Orthodox Church	\$0	0.00%	\$0	\$0	\$294	\$97	\$0	\$3,495	\$3,885	\$1,944,778	500.57
Santaluz LLC	\$0	0.00%	\$0	\$0	\$99	\$33	\$0	\$1,182	\$1,314	\$657,871	500.61
Other Undeveloped Property Owners [7]	\$0	0.00%	\$0	\$0	\$1,110	\$366	\$1,129	\$13,219	\$15,825	\$7,356,218	464.86
Subtotal	\$0	0.00%	\$0	\$0	\$1,982	\$653	\$1,129	\$23,592	\$27,356	\$13,128,236	479.91
TOTAL	\$4,582,649	100.00%	\$57,700,000	\$11,948,206	\$177,262	\$58,416	\$327,663	\$2,110,276	\$72,321,823	\$1,174,326,480	16.24

Source: David Taussig & Associates, Inc.; Metropolitan Water District; Dolinka Group; County of San Diego

[1] Reflects ownership as of January 1, 2007 provided by the San Diego County Assessor.
[2] Allocated based on fiscal year 2007-2008 levy.
[3] Fiscal year 2007-2008 assessed values provided by the San Diego County Assessor, as of January 1, 2007.
[4] Represents Assessed Values column divided by the Total Direct and Overlapping Debt Column.
[5] Includes property for which a building permit was issued as of March 1, 2007, or in the case of custom lot property, close of escrow by March 1, 2007.
[6] Includes property for which a building permit was not issued as of March 1, 2007.
[7] Includes property that will be classified as Custom Lot Property in the future.

Exhibit 3

Community Facilities District No. 2 (Santaluz)
Improvement Area No. 1
Five Year Delinquency History

Fiscal Year	Parcels Levied	Total Levy	Delinquent Installments	Percent Delinquent	Amount Remaining Delinquent As of 1/4/2008	Percent Remaining Delinquent As of 1/4/2008
2006-07	1,004	\$4,752,388	\$169,403	3.56%	\$63,892	1.34%
2005-06	953	\$5,330,313	\$192,278	3.61%	\$19,619	0.37%
2004-05	982	\$4,562,820	\$163,034	3.57%	\$1,335	0.03%
2003-04	905	\$4,013,899	\$61,800	1.54%	\$0	0.00%
2002-03	866	\$3,644,487	\$16,009	0.44%	\$0	0.00%
			Total Amount Delinquent		\$84,846	

The District has covenanted that it will commence judicial foreclosure proceedings against parcels with delinquent special taxes in excess of \$10,000 by the October 1 following the close of each fiscal year in which such special taxes were due. As of January 4, 2008, no delinquencies met the foreclosure threshold.

Source: City of San Diego, Debt Management based on San Diego County Delinquency Reports ST280190 and ST28-0090-02.

STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT
 California Debt and Investment Advisory Commission
 915 Capitol Mall, Room 400, Sacramento, CA 95814
 P.O. Box 942809, Sacramento, CA 94209-0001
 (916) 653-3269 FAX (916) 654-7440

For Office Use Only

Fiscal Year _____

I. GENERAL INFORMATION

A. Issuer Community Facilities District No. 2
 B. Community Facilities District Number/Name CFD No. 2 (Santaluz) Improvement Area No. 1
 C. Name/Title/Series of Bond Issue Special Tax Bonds, Series A of 2000
 D. Indicate Credit Rating Ratings Agency: Rating _____ Not Rated X
 E. Date of Bond Issue October 18, 2000
 F. Original Principal Amount of Bonds \$ 56,020,000
 G. Reserve Fund Minimum Balance Required \$ 4,493,606

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: June 30 2007 (Year)
 A. Principal Amount of Bonds Outstanding \$ 53,820,000
 B. Bond Reserve Fund \$ 5,260,652
 C. Capitalized Interest Fund \$ -0-
 D. Construction Fund(s) \$ 9,820

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed Value Reported as of: July 1, 2007 (Date) (Check one)
☒ From Equalized Tax Roll
☐ From Appraisal of Property
 (Use only in first year or before annual tax roll billing commences)
 B. Total Assessed Value of All Parcels \$ 1,177,298,568

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due \$ 4,752,388.
 * B. Total Amount of Unpaid Special Taxes \$ 177,504.
 C. The Special Taxes are Paid Under the County's Teeter Plan. Yes: ☐ No: ☒

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: June 30, 2007 (Date)
 * A. Total Number of Delinquent Parcels: 54
 * B. Total Amount of Special Taxes Due on Delinquent Parcels: \$ 239,306

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date)

* PER SAN DIEGO COUNTY DELINQUENCY REPORT #ST280190, DATED AUGUST 8, 2007

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
<u>City Council action to authorize filing of foreclosure lawsuits is anticipated to occur in November 2007.</u>	<u>3</u>	<u>\$ 43,922</u>
		<u>\$</u>
		<u>\$</u>
		<u>\$</u>
		<u>\$</u>

(Attach additional sheets if necessary.)

(Continued)

CDIAC # 2003-1935

STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT
 California Debt and Investment Advisory Commission
 915 Capitol Mall, Room 400, Sacramento, CA 95814
 P.O. Box 942809, Sacramento, CA 94209-0001
 (916) 653-3269 FAX (916) 654-7440

For Office Use Only

Fiscal Year _____

I. GENERAL INFORMATION

A. Issuer Community Facilities District No. 2
 B. Community Facilities District Number/Name CFD No. 2 (Santaluz) Improvement Area No. 1
 C. Name/Title/Series of Bond Issue Special Tax Bonds, Series A of 2004 (Parity Bonds)
 D. Indicate Credit Rating Ratings Agency: Rating _____ Not Rated X
 E. Date of Bond Issue February 11, 2004
 F. Original Principal Amount of Bonds \$ 5,000,000
 G. Reserve Fund Minimum Balance Required \$ 356,800

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: June 30 2007 (Year)
 A. Principal Amount of Bonds Outstanding \$ 4,760,000
 B. Bond Reserve Fund \$ 370,164
 C. Capitalized Interest Fund \$ -0-
 D. Construction Fund(s) \$ 231,343

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed Value Reported as of: July 1, 2007 (Date) (Check one)
☒ From Equalized Tax Roll
☐ From Appraisal of Property
(Use only in first year or before annual tax roll billing commences)
 B. Total Assessed Value of All Parcels \$ 1,177,298,568

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A. Total Amount of Special Taxes Due \$ 4,752,388
 * B. Total Amount of Unpaid Special Taxes \$ 177,504
 C. The Special Taxes are Paid Under the County's Teeter Plan. Yes: ☐ No: ☒

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: June 30, 2007 (Date)
 * A. Total Number of Delinquent Parcels: 54
 * B. Total Amount of Special Taxes Due on Delinquent Parcels: \$ 239,306

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR*(Aggregate totals, if foreclosure commenced on same date)** PER SAN DIEGO COUNTY DELINQUENCY REPORT #ST280190, DATED AUGUST 8, 2007

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
<u>City Council action to authorize filing of foreclosure lawsuits is anticipated to occur in November 2007.</u>	<u>3</u>	<u>\$ 43,922</u>
		<u>\$</u>
		<u>\$</u>
		<u>\$</u>
		<u>\$</u>

(Attach additional sheets if necessary.)

(Continued)